

**FEB 09 2001**

**EMPLOYER STATUS DETERMINATION**

**Harbor Belt Line Railroad (HBLR) (B.A. No. 4735)**

This is the determination of the Railroad Retirement Board concerning the continued status of Harbor Belt Line Railroad (HBLR) (B.A. No. 4735) as an employer under the Railroad Retirement Act (45 U.S.C. § 231 et seq.) (RRA) and the Railroad Unemployment Insurance Act (45 U.S.C. § 351 et seq.) (RUIA).

In Board Notice No. 98-10, HBLR was previously found to be a covered rail carrier employer under the RRA and RUIA effective November 20, 1997, the date on which it commenced operations.

In Surface Transportation Board (STB) Finance Docket Number AB-542X, decided June 9, 1998, HBLR filed a verified notice of exemption to discontinue its switching operations on tracks owned by the City of Los Angeles (the City) within the Port of Los Angeles (POLA), Los Angeles, California. Additionally, in STB Finance Docket No. 33411, service dated December 2, 1997, Pacific Harbor Lines, Inc. (PHL) (B.A. No. 4783) filed a verified notice of exemption to acquire operating rights from the City to provide switching services being discontinued by HBLR. According to the STB decision in Docket No. AB-542X, upon commencement of services by PHL HBLR would be replaced as the operator of the rail lines within the POLA and all operations by HBLR would be discontinued. According to the STB decision, HBLR stated that in 1994 the relevant parties determined that operations within the POLA would be better handled by a neutral third party provider. According to the STB decision, the increased prominence of intermodal unit trains and the emphasis on containerized traffic over the last 10 years had changed the requirements for rail services within the POLA. According to HBLR, its organization and focus were no longer suitable for the kind of updated rail services required by the POLA, the POLA's tenants, and Union Pacific (UP) and Burlington Northern and Santa Fe (BNSF).

Information regarding HBLR was furnished by Mr. George M. Strum, Director of Joint Facilities and Contracts for UP. According to Mr. Strum, employees of HBLR were last compensated prior to February 15, 1998. Mr. Strum provided information which shows that HBLR ceased operations on February 14, 1998. Mr. Strum stated that on June 16, 1998, HBLR's Board of Directors voted on a resolution to dissolve HBLR effective July 12, 1998. Three of HBLR's employees became employees for PHL after dissolution of HBLR, according to Mr. Strum.

Section 202.11 (20 CFR 202.11) of the Board's regulations states that:

Harbor Belt Line Railroad (HBLR) (B.A. No. 4735)

The employer status of any company or person shall terminate whenever such company or person loses any of the characteristics essential to the existence of an employer status.

Also, section 1(a)(1) of the RRA defines the term "employer" to include:


(i) any carrier by railroad subject to the jurisdiction of the Surface Transportation Board under Part A of subtitle IV of Title 49 [45 U.S.C. § 231(a)(1)(i)].

\* \* \* \* \*

Section 1 of the RUIA contains the same definition.

The information summarized above indicates that, due to the cessation of operations by HBLR and moreover, the dissolution adopted by its Board of Directors, HBLR no longer possesses the characteristics of an operating railroad company. The Board therefore finds that effective with the close of business on February 14, 1998, the date on which HBLR ceased operation, the Harbor Belt Line Railroad ceased being a covered employer under the Railroad Retirement Act and the Railroad Unemployment Insurance Act.

  
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